

AMENDED IN ASSEMBLY JUNE 1, 2007

AMENDED IN ASSEMBLY MAY 8, 2007

AMENDED IN ASSEMBLY APRIL 26, 2007

AMENDED IN ASSEMBLY MARCH 29, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 761**

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**Introduced by Assembly Member Coto**

February 22, 2007

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An act to amend Section 11541.5 of, and to add Section 14838.1 to, the Government Code, relating to state contracts.

### LEGISLATIVE COUNSEL'S DIGEST

AB 761, as amended, Coto. State contracts: infrastructure bonds: small businesses.

(1) Existing law requires the Department of Technology Services to create a link to state agency Web sites from the California Internet portal for small businesses and entrepreneurs to access information regarding startup requirements and regulatory compliance.

This bill would require the department to create links for small businesses, including entrepreneurs, to also access information regarding specific state bonds and would delete the reference to entrepreneurs.

(2) Existing law provides for various programs to encourage the participation of small businesses, as certified by the Department of General Services, in state agency contracts, and sets forth the duties of the Director of General Services and the directors of other state agencies in this regard.

This bill, in order to encourage the participation of small businesses in the construction of the state's infrastructure, as provided in specified infrastructure-related bond acts of 2006, would additionally require the Director of General Services to establish a 25% goal for the participation of small businesses in the construction of the state's infrastructure, as provided in those bond acts, to develop a process for awarding contracts financed with the proceeds of the bond acts, *and* to give assistance to all bidders, but especially small *California* businesses, in complying with the bidding procedures for contracts financed with the proceeds of the bond acts, ~~and to work with the Director of the Office of Small Business Advocate to hold workshops throughout the state to assist small businesses in understanding the process for bidding on contracts financed with the proceeds of the bond acts.~~

This bill would also require each department, on and after January 1, 2009, and annually thereafter, that has awarded any contract financed with the proceeds of the infrastructure-related bond acts in the previous calendar year to report to the Director of General Services on the percentage of small businesses that have been awarded those contracts, and would require any department that did not award at least 25% of those contracts to small businesses to include in its report a plan of action to award at least 25% of the contracts to small businesses during the next calendar year.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 11541.5 of the Government Code is
- 2 amended to read:
- 3 11541.5. (a) The Department of Technology Services shall
- 4 create links to state agency Web sites at the State of California
- 5 Internet portal specifically for small businesses, including
- 6 entrepreneurs, to access information regarding startup requirements,
- 7 regulatory compliance, and state bonds, as specified in Section
- 8 14838.1, applicable to the particular business.
- 9 (b) For purposes of this section, "small business" has the same
- 10 meaning as set forth in Section 14837.
- 11 SEC. 2. Section 14838.1 is added to the Government Code, to
- 12 read:

1 14838.1. (a) In order to encourage the participation of small  
2 businesses in the construction, including alteration, demolition,  
3 repair, or improvement, of the state's infrastructure, as provided  
4 in the infrastructure-related bond acts of 2006, the Director of  
5 General Services shall do all of the following:

6 (1) Establish a 25 percent small business participation goal by  
7 all departments awarding contracts financed with the proceeds of  
8 the infrastructure-related bond acts of 2006.

9 (2) Develop a process for awarding contracts that are financed  
10 with the proceeds of the infrastructure-related bond acts of 2006,  
11 which affords California small businesses the opportunity to be  
12 notified of upcoming requests for proposals, and to bid on, and be  
13 awarded, those contracts.

14 (3) Provide special assistance to all potential bidders, particularly  
15 those bidders that are small *California* businesses, in complying  
16 with the procedures for bidding on contracts that are financed with  
17 the proceeds of the infrastructure-related bond acts of 2006. ~~In~~  
18 ~~conjunction with the Director of the Office of Small Business~~  
19 ~~Advocate, hold regional collaborative workshops throughout the~~  
20 ~~state for the purpose of assisting small businesses in understanding~~  
21 ~~statutory and regulatory contract bidding requirements for the~~  
22 ~~submission of bids in response to solicitations for the award of~~  
23 ~~contracts pursuant to the infrastructure-related bond acts of 2006.~~  
24 ~~of 2006.~~

25 (b) For purposes of this section, "small business" has the same  
26 meaning as set forth in subdivision (d) in Section 14837.

27 (c) For purposes of this section, all of the following measures  
28 are deemed to be the infrastructure-related bond acts of 2006:

29 (1) The Highway Safety, Traffic Reduction, Air Quality, and  
30 Port Security Bond Act of 2006 (Chapter 12.49 (commencing with  
31 Section 8879.20) of Division 1 of the Government Code).

32 (2) The Housing and Emergency Shelter Trust Fund Act of 2006  
33 (Part 12 (commencing with Section 53540) of Division 31 of the  
34 Health and Safety Code).

35 (3) The Kindergarten-University Public Education Facilities  
36 Bond Act of 2006 (Part 69 (commencing with Section 101000) of  
37 the Education Code).

38 (4) The Disaster Preparedness and Flood Prevention Bond Act  
39 of 2006 (Chapter 1.699 (commencing with Section 5096.800) of  
40 Division 5 of the Public Resources Code).

1 (5) The Safe Drinking Water, Water Quality and Supply, Flood  
2 Control, River and Coastal Protection Bond Act of 2006 (Division  
3 43 (commencing with Section 75001) of the Public Resources  
4 Code).

5 (d) This section does not require the expenditure of the proceeds  
6 of the sale of the bonds described in this section, except as  
7 permitted by the measure authorizing the issuance of the bond.

8 (e) On or before January 1, 2009, and annually thereafter, each  
9 department that has awarded any contract financed with the  
10 proceeds of the infrastructure-related bond acts of 2006 in the  
11 previous calendar year shall report to the Director of General  
12 Services on the percentage of small businesses that have been  
13 awarded those contracts. If a department did not award at least 25  
14 percent of those contracts to small businesses, then the department  
15 shall include in its report a plan of action to award at least 25  
16 percent of the contracts to small businesses during the next calendar  
17 year.